University of Saskatchewan

Consolidated Financial Statements

For the Year Ended April 30, 2000

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Phone: (306) 787-6398
Fax: (306) 787-6383
Internet e-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the consolidated statement of financial position of The University of Saskatchewan as at April 30, 2000, and the consolidated statements of operations and changes in fund balances, and consolidated statement of cash flows for the year then ended. The University's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Regina, Saskatchewan
September 7, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

THE UNIVERSITY OF SASKATCHEWAN **Statement 1**
Consolidated Statement of Financial Position
As at April 30, 2000
(thousands of dollars)

	General	Restricted	Endowment	Total	Total 1999
Current Assets					
Cash and short-term investments (Note 3)	$ 33,769	$ 58,498	$ 193	$ 92,460	$ 50,337
Accounts receivable	16,000	6,543	60	22,603	17,246
Inventories	7,124	-	-	7,124	6,605
Prepaid expenses	769	-	-	769	557
Work in progress	-	9,377	-	9,377	3,260
	57,662	74,418	253	132,333	78,005
Long-term Assets					
Work in progress	-	17,776	-	17,776	4,907
Long-term investments (Note 4)	63,441	42,825	98,954	205,220	209,929
Investment in affiliated entities (Note 5)	286	-	-	286	286
Other assets	702	1,491	-	2,193	1,787
Capital assets (Note 6)	-	275,744	-	275,744	261,178
	64,429	337,836	98,954	501,219	478,087
	$ 122,091	$ 412,254	$ 99,207	$ 633,552	$ 556,092
Current Liabilities					
Accounts payable and accrued liabilities	$ 20,436	$ 3,847	$ -	$ 24,283	$ 7,307
Accrued vacation pay and assisted early retirement benefits	10,831	58	-	10,889	9,981
Unearned fees and other deferred revenue	3,320	-	-	3,320	3,193
Current portion of provision for claims payable	1,951	-	-	1,951	1,150
Current portion of long-term debt	-	94	-	94	102
	36,538	3,999	-	40,537	21,733
Long-term Liabilities					
Long-term Disability Trust Fund - Provision for claims payable	8,483	-	-	8,483	8,020
Long-term debt (Note 7)	-	2,962	-	2,962	3,042
Capital lease (Note 8)	-	-	-	-	16
Accrual for assisted early retirement	11,263	4	-	11,267	14,200
Due to other funds	100	(100)	-	-	-
	19,846	2,866	-	22,712	25,278
Fund Balances					
Externally restricted funds	-	132,702	99,207	231,909	190,598
Internally restricted funds	30,536	-	-	30,536	16,719
Invested in capital assets	-	272,687	-	272,687	257,968
Unrestricted funds	35,171	-	-	35,171	43,796
	65,707	405,389	99,207	570,303	509,081
	$ 122,091	$ 412,254	$ 99,207	$ 633,552	$ 556,092

Approved by the Board of Governors

Chair, Board of Governors

Vice-President (Finance & Resources)

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN **Statement 2**

Consolidated Statement of Operations and Changes in Fund Balances
For the Year Ended April 30, 2000
(thousands of dollars)

	General	Restricted	Endowment	Total	Total 1999
Revenues					
Government grants and contracts					
Government of Canada	$ 3,588	$ 35,962	$ -	$ 39,550	$ 20,792
Government of Saskatchewan	163,643	33,911	-	197,554	186,524
Other	5,005	1,568	-	6,573	6,664
Student fees	52,808	-	-	52,808	49,244
Gifts, grants and bequests	11,971	20,351	5,981	38,303	35,061
Sales of services and products	71,422	104	-	71,526	70,811
Income from investments	6,414	8,836	(10)	15,240	16,291
Real estate income	409	71	-	480	407
Miscellaneous income	1,515	1,159	38	2,712	2,265
	316,775	101,962	6,009	424,746	388,059
Expenses					
Salaries	198,750	29,628	-	228,378	225,938
Employee benefits	22,782	2,456	-	25,238	23,501
Operational supplies and expenses	68,037	15,222	21	83,280	83,344
Travel	6,572	3,043	-	9,615	9,603
Cost of goods sold	15,196	-	-	15,196	14,505
Equipment rental, maintenance and renovations	12,273	793	-	13,066	16,337
Utilities	11,820	4	-	11,824	11,556
Amortization	-	22,646	-	22,646	20,546
Scholarships, bursaries and prizes	5,800	1,903	-	7,703	6,798
Interest	58	207	-	265	213
Meewasin Valley Authority levy	-	574	-	574	574
Bad debt expense	112	-	9	121	45
Internal cost recoveries (Note 13)	(50,793)	(3,586)	(3)	(54,382)	(56,243)
	290,607	72,890	27	363,524	356,717
Excess of revenues over expenses	26,168	29,072	5,982	61,222	31,342
Interfund transfers (Note 14)	(20,976)	19,015	1,961	-	-
Net increase in fund balances for year	5,192	48,087	7,943	61,222	31,342
Fund balances, beginning of year	60,515	357,302	91,264	509,081	477,739
Fund balances, end of year	$ 65,707	$ 405,389	$ 99,207	$ 570,303	$ 509,081

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN **Statement 3**
Consolidated Statement of Cash Flows
For the Year Ended April 30, 2000
(thousands of dollars)

	General	Restricted	Endowment	Total	Total 1999
Operating Activities					
Net increase in fund balance for year	$ 5,192	$ 48,087	$ 7,943	$ 61,222	$ 31,342
Amortization of capital assets	-	22,646	-	22,646	20,546
Unrealized loss (gain) on investments	194	(1,036)	12	(830)	(1,852)
Total decrease (increase) in non-cash working capital	12,729	(6,221)	90	6,598	(11,839)
Cash generated from operating activities	18,115	63,476	8,045	89,636	38,197
Investing Activities					
Work in progress	-	(12,870)	-	(12,870)	(4,907)
Sale (purchase) of investments (net)	5,117	8,715	(8,292)	5,540	2,964
Investment in subsidiary companies	-	-	-	-	146
Purchase of capital assets and library holdings (net)	-	(37,212)	-	(37,212)	(18,941)
Cash from (used in) investing activities	5,117	(41,367)	(8,292)	(44,542)	(20,738)
Financing Activities					
Debt financing repayments (net)	-	(79)	-	(79)	(71)
Capital lease financing (repayments) proceeds (net)	-	(17)	-	(17)	16
(Decrease) increase in Assisted Early Retirement commitments	(2,911)	(22)	-	(2,933)	4,767
Decrease in deferred costs	-	-	-	-	561
(Increase) decrease in other assets	(330)	(75)	-	(405)	147
Increase in long-term disability claims	463	-	-	463	70
Cash (used in) from financing activities	(2,778)	(193)	-	(2,971)	5,490
Net increase (decrease) in cash and short-term deposits	20,454	21,916	(247)	42,123	22,949
Cash and short-term deposits, beginning of year	13,315	36,582	440	50,337	27,388
Cash and short-term deposits, end of year	$ 33,769	$ 58,498	$ 193	$ 92,460	$ 50,337

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN **Statement 4**

Consolidated Statement of Operations and Changes in Fund Balances - General Funds
For the Year Ended April 30, 2000
(thousands of dollars)

	Operating	Ancillary	Specific Purpose	Total
Revenues				
Government grants and contracts				
Government of Canada	$ -	$ -	$ 3,588	$ 3,588
Government of Saskatchewan	131,297	-	32,346	163,643
Other	3,233	-	1,772	5,005
Student fees	51,779	-	1,029	52,808
Gifts, grants and bequests	12	-	11,959	11,971
Sales of services and products	9,038	31,720	30,664	71,422
Income from investments	3,231	38	3,145	6,414
Real estate income	225	-	184	409
Miscellaneous income	490	-	1,025	1,515
	199,305	31,758	85,712	316,775
Expenses				
Salaries	138,679	6,069	54,002	198,750
Employee benefits	17,818	752	4,212	22,782
Operational supplies and expenses	43,417	2,798	21,822	68,037
Travel	2,082	38	4,452	6,572
Cost of goods sold	-	15,196	-	15,196
Equipment rental, maintenance and renovations	9,809	1,135	1,329	12,273
Utilities	7,438	4,324	58	11,820
Amortization	-	-	-	-
Scholarships, bursaries and prizes	2,198	-	3,602	5,800
Interest	58	-	-	58
Meewasin Valley Authority levy	-	-	-	-
Bad debt expense	27	-	85	112
Internal cost recoveries (Note 13)	(43,943)	-	(6,850)	(50,793)
	177,583	30,312	82,712	290,607
Excess of revenues over expenses	21,722	1,446	3,000	26,168
Interfund transfers (Note 14)	(17,748)	(1,478)	(1,750)	(20,976)
Net increase (decrease) in fund balances for year	3,974	(32)	1,250	5,192
Fund balances, beginning of year	(5,033)	6,147	59,401	60,515
Fund balances, end of year	$ (1,059)	$ 6,115	$ 60,651	$ 65,707

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN **Statement 5**

Consolidated Statement of Operations and Changes in Fund Balances - Restricted Funds
For the Year Ended April 30, 2000
(thousands of dollars)

	Capital	Research	Trust	Total
Revenues				
Government grants and contracts				
Government of Canada	$ -	$ 35,962	$ -	$ 35,962
Government of Saskatchewan	15,016	18,895	-	33,911
Other	-	1,568	-	1,568
Student fees	-	-	-	-
Gifts, grants and bequests	-	14,500	5,851	20,351
Sales of services and products	-	103	1	104
Income from investments	799	110	7,927	8,836
Real estate income	-	-	71	71
Miscellaneous income	1,111	-	48	1,159
	16,926	71,138	13,898	101,962
Expenses				
Salaries	-	29,558	70	29,628
Employee benefits	-	2,449	7	2,456
Operational supplies and expenses	52	13,833	1,337	15,222
Travel	-	3,017	26	3,043
Cost of goods sold	-	-	-	-
Equipment rental, maintenance and renovations	-	788	5	793
Utilities	-	4	-	4
Amortization	22,646	-	-	22,646
Scholarships, bursaries and prizes	-	180	1,723	1,903
Interest	207	-	-	207
Meewasin Valley Authority levy	574	-	-	574
Bad debt expense	-	-	-	-
Internal cost recoveries (Note 13)	-	(3,584)	(2)	(3,586)
	23,479	46,245	3,166	72,890
Excess (deficiency) of revenues over expenses	(6,553)	24,893	10,732	29,072
Interfund transfers (Note 14)	48,093	(19,460)	(9,618)	19,015
Net increase in fund balances for year	41,540	5,433	1,114	48,087
Fund balances, beginning of year	278,724	28,541	50,037	357,302
Fund balances, end of year	$ 320,264	$ 33,974	$ 51,151	$ 405,389

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN
Consolidated Statement of Operations by College
All Funds
For the Year Ended April 30, 2000
(thousands of dollars)

Statement 6

	Agriculture	Arts & Science	Commerce	Dentistry	Education	Engineering	Graduate Studies	Law	Medicine	Nursing	Pharmacy & Nutrition	Kinesiology	Veterinary Medicine	Extension	Other Instructional	General	Total
Revenues																	
University operating budget																	
Original budget	$ 8,174	$ 34,784	$ 5,074	$ 2,830	$ 7,465	$ 8,549	$ 905	$ 2,221	$ 16,427	$ 2,532	$ 2,302	$ 2,343	$ 11,089	$ 7,134	$ 24,139	$ 52,260	$ 166,228
Budget revisions	448	921	179	(81)	11	11	130	(57)	(426)	(1)	(76)	111	(47)	175	2,676	(192,202)	(188,226)
Revised budget	8,622	35,705	5,253	2,749	7,476	8,560	1,035	2,164	16,001	2,531	2,226	2,454	11,042	7,309	26,815	(139,942)	-
Government grants and contracts																	
Government of Canada	2,146	6,452	95	12	650	6,001	942	-	4,973	151	246	4	579	33	655	16,609	39,550
Province of Saskatchewan	9,276	706	-	142	1	556	5	17	30,218	80	148	20	1,281	175	925	154,004	197,554
Other	434	75	-	-	84	11	-	-	392	-	-	-	1,525	-	-	4,052	6,573
Student fees	-	-	164	-	-	-	-	-	2	2	-	855	-	-	6	51,779	52,808
Gifts, grants and bequests	5,135	1,811	1,074	55	449	6,385	382	132	6,952	135	1,063	352	2,753	225	385	11,045	38,303
Sales of services and products	2,813	1,111	648	864	531	515	33	98	17,073	234	244	1,745	4,143	2,220	7,229	32,025	71,526
Income from investments	2,216	605	238	26	107	331	75	628	1,053	34	63	59	357	3	269	9,176	15,240
Real estate income	-	-	-	-	-	-	-	-	26	-	-	129	-	-	-	325	480
Miscellaneous income	812	5	-	-	-	8	-	3	2	-	5	-	-	-	13	1,864	2,712
	31,454	46,470	7,472	3,848	9,298	22,347	2,472	3,042	76,692	3,167	3,987	5,618	21,680	9,965	36,297	140,937	424,746
Expenses																	
Salaries	18,387	34,485	5,102	2,880	6,947	10,155	1,917	2,067	59,298	2,545	2,675	3,430	11,950	6,560	15,455	44,535	226,378
Employee benefits	2,074	3,980	618	335	811	1,155	84	255	4,609	313	296	396	1,322	651	3,337	5,003	25,238
Operational supplies and expenses	5,252	3,448	710	703	948	1,451	140	165	10,798	237	726	1,385	4,884	1,993	4,995	45,445	83,280
Travel	806	1,439	178	72	350	590	66	42	2,549	70	154	598	298	515	737	1,151	9,615
Cost of goods sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,100	10,096	15,196
Equipment rental, maintenance and renovations	843	166	9	23	17	91	7	10	364	12	8	81	413	13	1,777	9,232	13,056
Utilities	67	4	-	-	-	-	-	-	19	-	-	2	35	8	54	11,635	11,824
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,646	22,646
Scholarships, bursaries and prizes	283	223	74	269	88	122	2,034	80	726	26	44	99	137	10	47	3,441	7,703
Interest	-	-	-	-	-	-	-	-	-	-	-	-	49	-	86	130	265
Meewasin valley authority levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	574	574
Bad debt expense	-	-	-	14	-	-	-	-	85	-	-	-	13	-	-	9	121
Internal cost recoveries	(1,368)	(1,101)	(546)	(20)	(363)	(585)	(19)	(21)	(5,175)	(87)	(72)	(143)	(1,030)	(455)	(6,349)	(37,018)	(54,382)
	26,314	42,654	6,145	4,256	8,798	12,979	4,229	2,598	73,273	3,116	3,830	5,848	18,071	9,295	25,239	116,879	363,524
Excess (deficiency) of revenues over expenses	5,140	3,816	1,327	(408)	500	9,368	(1,757)	444	3,419	51	157	(230)	3,609	670	11,058	24,058	61,222
Interfund transfers	(9,090)	(1,369)	(233)	(538)	(82)	(1,518)	2,210	(375)	4,712	(8)	(310)	27	(1,070)	(770)	(2,287)	10,701	-
	(3,950)	2,447	1,094	(946)	418	7,850	453	69	8,131	43	(153)	(203)	2,539	(100)	8,771	34,759	61,222
Contingency account adjustments																	
Transfers	(637)	(1,108)	(270)	59	(135)	(254)	-	(4)	(755)	(39)	(10)	(53)	(297)	(74)	(538)	212	(3,903)
Tuition revenue sharing	361	879	655	754	36	417	-	13	146	(94)	70	319	(46)	225	5	120	3,860
Other adjustments	14	(97)	(103)	(2)	(43)	25	(164)	6	58	36	-	(27)	32	(529)	(2,635)	2,095	(1,334)
Fall-in	137	183	54	-	80	92	1	23	411	6	51	13	63	-	183	70	1,377
Net increase (decrease) in fund balances for year	(4,075)	2,314	1,430	(135)	356	8,130	290	107	7,991	(48)	(42)	49	2,289	(478)	5,786	37,256	61,222
Fund balances, beginning of year	57,709	15,895	5,372	824	4,004	7,590	2,823	11,037	31,494	781	3,112	1,695	10,529	2,270	6,373	347,573	509,081
Fund balances, end of year	$ 53,634	$ 18,209	$ 6,802	$ 689	$ 4,362	$ 15,720	$ 3,113	$ 11,144	$ 39,485	$ 733	$ 3,070	$ 1,744	$ 12,818	$ 1,792	$ 12,159	$ 384,829	$ 570,303

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended April 30, 2000

(THOUSANDS OF DOLLARS)

1. Authority and Purpose

"The University of Saskatchewan" is a corporation operating under the authority of *The University of Saskatchewan Act, 1995*, Chapter U-6.1 of the Statutes of Saskatchewan. The primary role of the University is to provide post-secondary instruction and research in the humanities, sciences, social sciences, and other areas of human, intellectual, cultural, social and physical development. The University is a registered charity and is therefore exempt from the payment of income tax, pursuant to Section 149 of the *Income Tax Act*.

2. Summary of Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with generally accepted accounting principles. The following accounting policies and reporting practices are considered significant:

a) Basis of consolidation

The consolidated financial statements include the accounts of the following entities:

- University of Saskatchewan Technologies Inc., a wholly owned subsidiary of the University. The company's mission is to evaluate, protect and exploit University controlled intellectual property.
- Agricoll Research Investments Inc., a wholly owned subsidiary of the University. Through Agricoll, the University of Saskatchewan promotes and participates in research, education and technology transfer related to the agriculture industry.
- University of Saskatchewan Crown Foundation, a non-profit entity incorporated under the Crown Foundation Act of Saskatchewan. The Foundation was created for the purpose of receiving gifts of real and personal property and to provide transfers of property to the University of Saskatchewan.
- 621602 Saskatchewan Ltd., a wholly owned subsidiary of the University. The company participates in real estate investment activities.

Affiliated entities, which are effectively controlled by the University but not included in the consolidated financial statements are:

- Canadian Prairie Feed Resource Centre Inc., a non-profit corporation whose sole member is the University of Saskatchewan. The objectives of the company include providing leadership for research, innovation, product development, and technology transfer in feed ingredient utilization.
- Prairie Swine Centre Inc., a non-profit corporation whose membership is restricted to the members of the Board of Governors of the University of Saskatchewan. The company is engaged in research, education and technology transfer related to pork production in Canada.
- Western Beef Development Centre Inc., a non-profit corporation whose membership is restricted to members of the Board of Governors of the University of Saskatchewan. The mandate of the company is to support the efficient and orderly economic advancement of the Western Canadian beef industry.

- Canadian Light Source Inc., a non-profit corporation whose sole member is the University of Saskatchewan. The company will provide access for the performance of basic and applied research with the aim of making scientific discoveries and advances, and developing these discoveries and advances for practical applications by industry.

- Pharmalytics Inc., a non-profit corporation whose sole member is the University of Saskatchewan. The company is engaged in research, development and education in pharmaceutical sciences.

b) Use of estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

c) Fund accounting

The University follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The University has classified accounts with similar characteristics into major funds as follows:

i) General Funds are unrestricted and account for the University's program delivery, service and administrative activities. These funds are further classified as Operating, Ancillary and Specific Purpose

Operating Funds account for the University's function of instruction, including academic support services, administrative services, plant maintenance and other operating activity.

Ancillary Funds provide goods and services to the University community, which are supplementary to the functions of instruction, research and service and are expected to operate on at least a break-even basis.

Specific Purpose Funds are designated for specific projects or purposes.

ii) Restricted Funds carry restrictions on the use of resources for particular defined purposes. These funds are further classified as Capital, Research and Trust.

Capital Funds account for the acquisition of capital assets, major renovations and improvements to capital assets.

Research Funds account for activities in support of research.

Trust Funds account for activities that have been stipulated by donors and contributors.

iii) Endowment Funds account for resources received with the stipulation that the original contribution not be spent. The fund also consists of a portion of the investment income earned on these funds that is required by donors and the Board of Governors to be added to the fund to offset the eroding effect of inflation.

d) Inventories

Inventories are valued at the lower of cost and net realizable value, which is determined by the first-in, first-out method, with the exception of feedlot cattle. Feedlot cattle are stated at market value.

e) Investments

Short-term investments are carried at the lower of cost and market value. Long-term investments consist primarily of pooled funds and are carried at market value.

f) Investment in affiliated entities

The University uses the equity method to account for profit-oriented affiliated entities in which the University exercises significant influence, but does not control. Under the equity method of accounting, the investment is initially recorded at cost and the carrying value of the investment is adjusted to recognize the University's proportionate share of the net earnings (losses) of the entity.

Non-profit affiliated entities in which the University exercises significant influence, but does not control, and all other investments are recorded at cost less any permanent decline in the value of the investment.

g) Capital assets

Purchased capital assets are recorded at cost. Donated capital assets are reported at fair market value upon receipt by the University. Amortization expense is reported in the Capital Fund. Capital assets, other than land, are amortized using the straight-line method over their estimated useful lives as follows:

Site improvements	20 years
Buildings	40 years
Computers	3 years
Equipment & furnishings	6 to 8 years
Library materials	10 years

h) Donations and pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts-in-kind, including works of art, equipment, investments and library holdings are recorded at fair market value on the date of their donation.

Pledges made by donors to the University for donations to be received in future years are not recorded in the financial statements.

i) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received. Other restricted revenue is recognized on the completed contract method.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources that must be spent on restricted activities is recognized as revenue of the appropriate restricted fund. Unrestricted investment income earned on Endowment Fund resources is recognized as revenue of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

j) Fair value

The fair values of cash and short-term investments, accounts receivable, accounts payable and accrued liabilities, and accrued vacation pay approximate their carrying value due to the short-term nature of these assets and liabilities.

3. Cash and Short-term Investments

Short-term investments are generally for less than 90 days, and have an average effective interest rate of 4.6 per cent.

4. Long-term Investments

	2000				1999
	Less than 5 years	5 to 10 years	More than 10 years	Total Fair Value	Total Fair Value
Bonds and debentures	$ 63,926	$ 17,503	$ 12,638	$ 94,067	$ 114,133
Equities					
Canadian	-	-	50,126	50,126	41,244
Foreign	-	-	45,653	45,653	44,665
Other investments	15,374	-	-	15,374	9,887
	$ 79,300	$ 17,503	$ 108,417	$ 205,220	$ 209,929
Market yield	5.4 - 17%	5.5 - 14%	5.7 - 11.3%		

Investments are placed with government guaranteed securities and well capitalized, high quality financial institutions. By policy, the University limits the amount of credit risk exposure in any one type of investment instrument.

5. Investment in Affiliated Entities

	2000	1999
Investment accounted on the equity basis:		
MRV Ltd.	$ 0	$ 0
Investments recorded on the cost basis:		
Saskatchewan Food Industry Development Centre Inc.	0	0
Saskatchewan Population Health and Evaluation Research Unit	0	0
Prairie Diagnostic Services Inc.	0	0
Biostar Inc.	0	0
Alviva Biopharmaceuticals Inc.	1	0
CanEd International Inc.	0	0
Ceapro Inc.	25	25
Ag-Spec Analytical Services Ltd.	260	260
Pharmaderm Laboratories Inc.	0	0
GlobalEd Multimedia Technologies Inc.	0	1
	$ 286	$ 286

Investments, which have a nominal value, are shown with a nil cost.

The following summarizes the financial information of affiliated entities, which are effectively controlled by the University, but not included in the consolidated financial statements:

	Canadian Prairie Feed Resource Centre Inc.	Prairie Swine Centre Inc.	Western Beef Development Centre Inc.	Canadian Light Source Inc.	Pharmalytics Inc.	Total 2000	Total 1999 (restated)
Financial position							
Total assets	$ 416	$ 6,346	$ 882	$ 56	$ -	$ 7,700	$ 6,525
Total liabilities	312	4,523	402	116	-	5,353	4,453
Total net assets	104	1,823	480	(60)		2,347	2,072
	$ 416	$ 6,346	$ 882	$ 56	$ -	$ 7,700	$ 6,525
Results of operations							
Total revenue	$ 425	$ 3,074	$ 779	$ 559	$ -	$ 4,837	$ 3,717
Total expenses	332	2,907	735	619	-	4,593	3,871
Net income (loss)	$ 93	$ 167	$ 44	$ (60)	$ -	$ 244	$ (154)
Cash flows							
Cash from (used in) operations	$ (53)	$ 947	$ (106)	$ -	$ -	$ 788	$ 3,443
Cash (used in) investing	-	(660)	(57)	-	-	(717)	(456)
Cash from (used in) financing	-	243	175	-	-	418	(49)
(Decrease) increase in cash	$ (53)	$ 530	$ 12	$ -	$ -	$ 489	$ 2,938

Included in the accounts of the University are transactions with these affiliated entities, including the following:

	2000	1999 (restated)
Sales of services and products	$ 1,694	$ 1,285
Interest income	26	17
Expenses	756	178
Accounts receivable	281	450
Other assets	608	358
Accounts payable and accrued liabilities	95	13

6. Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,898	$ -	$ 1,898	$ 1,898
Buildings	358,725	152,377	206,348	200,628
Site improvements	21,256	10,714	10,542	9,063
Computers	55,768	46,649	9,119	7,074
Equipment and furnishings	105,565	86,948	18,617	14,473
Library materials	83,135	53,915	29,220	28,042
	$ 626,347	$ 350,603	$ 275,744	$ 261,178

7. Long-term Debt

		2000	1999
a)	Canada Mortgage and Housing Corp. - 6 7/8% debentures due May 1, September 1, 2020	$ 2,678	$ 2,736
	These loans are repayable in equal semi-annual installments of $123 blended principal and interest and recovered in their entirety from the operating revenues of Ancillary Services		
b)	Loan payable to the Government of Saskatchewan - General Revenue Fund – 5 1/8% loan due June 1, 2015	362	376
	As part of the original arrangements for repayment of a loan to Canada Mortgage and Housing Corporation, it was agreed that $600 of the principal portion due would be recovered from the University of Saskatchewan by charges to the Ancillary operations of $33 per year.		
		3,040	3,112
	Less amounts payable within one year	(78)	(70)
		$ 2,962	$ 3,042

8. Capital Lease

The University leases certain equipment under an agreement, which is classified as a capital lease. Costs and accumulated amortization of such assets totaled $73 and $16 (1999 - $73 and $7).

As of April 30, 2000, future minimum lease payments under the capital lease are as follows:

	2000	1999
Fiscal year ended April 30, 2000		$ 34
Fiscal year ended April 30, 2001	$ 17	17
Total future minimum lease payments	17	51
less amount representing interest at 9% per annum	(1)	(3)
Present value of future minimum lease payments	16	48
less current portion	(16)	(32)
Long-term Capital Lease	$ -	$ 16

9. Pension Funds

a) The University is responsible for the administration of the Academic Employees' Pension Plan, the Non-Academic Pension Plan and the Clinicians' Service-Side Pension Plan, all of which are contributory defined benefit, final average pension plans. Actuarial valuations are completed regularly as prescribed by statute and any unfunded pension plan liabilities are the responsibility of the University. The University contributes to the plans on behalf of its employees based on the advice of the plans' actuary with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. The assets, including any potential surplus in the plan, are for the benefit of the members and their beneficiaries. There is no provision that allows the withdrawal of the surplus by the University. For the Non-Academic Pension Plan, the market related value was determined using a five year average of the ratio of market value to book value.

i) Academic Employees' Pension Plan

An actuarial valuation of the Academic Employees' Pension Plan was performed as at December 31, 1999. The valuation indicates that the plan is in a very strong position to meet its statutory obligations with a total estimated surplus of $69,381.

	December 31 1999	December 31 1998 (restated)
Market value of assets	$ 586,556	$ 583,194
Actuarial present value of accrued pension benefits	517,175	516,562
Estimated surplus	$ 69,381	$ 66,632

On the advice of the Actuary, and with the approval of the University the surplus in excess of the amount of $24,562 estimated to be required to be held in the fund as a reserve balance as at December 31, 1999 will be available to improve benefits provided by the plan.

The amount reported as market value of assets as at December 31, 1998 has been restated to reflect the change in the basis of valuing these assets from market related value to market value.

ii) Non-Academic Pension Plan

An actuarial extrapolation of the Non-Academic Pension Plan as at January 1, 2000 indicates that the plan has a surplus of $38,033 which is held in a contingency reserve.

	January 1 2000	January 1 1999
Market related value of assets	$ 167,496	$ 154,123
Actuarial present value of accrued pension benefits	129,463	123,946
Estimated surplus	$ 38,033	$ 30,177

On the advice of the Actuary, and with the approval of the University, a portion of the surplus in excess of the contingency reserve balance of $12,946 will be available to improve benefits provided by the plan.

iii) Clinicians' Service-Side Pension Plan

An actuarial extrapolation of the Clinicians' Service-Side Pension Plan for the Clinical Employees of the University of Saskatchewan was performed as at December 31, 1999. The extrapolation indicates that the plan has a surplus of $214, which is held in a contingency reserve. On the advice of the actuary, and with the approval of the University, a portion of the surplus in excess of the contingency reserve balance will be available to improve benefits provided by the plan.

b) The University is also responsible for the administration of the Pension Plan for the Eligible Employees at the University of Saskatchewan, 1974, a defined contribution plan. As at December 31, 1999, the plan held assets of $28,164 offset by obligations to employees of the same amount.

10. Commitments - Capital Fund

The estimated cost of contractual commitments to complete major capital projects in progress as at April 30, 2000 is approximately $31,773 (1999 - $11,950).

11. Gifts-in-kind and Donation Pledges

Gifts-in-kind in the amount of $8,595 were received and recorded in the year (1999 - $5,988). Gifts-in-kind consist of the following:

	2000	1999
Works of art	$ 574	$ 282
Equipment and furnishings	162	37
Investments	7,669	5,305
Library holdings	65	244
Other	125	120
	$ 8,595	$ 5,988

Donations pledged but not received as at April 30, 2000 totaled $3,470 (1999 - $8,618). These pledges are expected to be honored during the subsequent five-year period and will be recorded as revenue when received.

12. Operating Fund Expenses

A comparison of the budgeted Operating Fund expenses approved by the University's Board of Governors to the actual Operating Fund expenses is as follows:

	2000		1999
	Budget	Expenses	Expenses
Agriculture	$ 8,174	$ 8,414	$ 8,442
Arts and Science	34,784	35,378	35,318
Commerce	5,074	5,365	5,494
Dentistry	2,830	3,622	3,083
Education	7,465	7,239	7,293
Engineering	8,549	8,473	8,607
Graduate Studies	905	838	715
Law	2,221	2,156	2,334
Medicine	16,427	16,018	15,756
Nursing	2,532	2,576	2,698
Pharmacy and Nutrition	2,302	2,221	2,329
Kinesiology	2,343	2,580	2,594
Veterinary Medicine	11,089	10,767	10,829
Extension Division	7,134	6,768	3,318
Other Instructional	24,139	22,025	20,607
General	52,260	51,841	56,838
Net expenses for internal reporting purposes	188,228	186,281	186,255
Reclassification of net expenses, included in College totals above as a recovery or expense, and restated for financial statement purposes:			
External cost recoveries restated as revenue	6,389	9,050	8,288
Interfund transfers eliminated for financial statement purposes (Statement 4)	-	(17,748)	(7,804)
Expenses for financial statement purposes	$ 194,617	$ 177,583	$ 186,739

13. Internal Cost Recoveries

Sales and services provided by one part of the university to another part are recorded as internal cost recoveries. These recoveries are eliminated from the expense activity of the University as follows:

	2000			1999
	Gross Expenses	Net Recovery	Net Expenses	Net Expenses
Salaries	$ 228,378	$ (813)	$ 227,565	$ 223,748
Employee benefits	25,238	(181)	25,057	23,349
Operational supplies and expenses	83,280	(43,697)	39,583	38,841
Travel	9,615	(36)	9,579	9,465
Cost of goods sold	15,196	(808)	14,388	14,476
Equipment rental, maintenance and renovations	13,066	(7,881)	5,185	7,766
Utilities	11,824	(857)	10,967	11,018
Amortization	22,646	-	22,646	20,546
Scholarships, bursaries and prizes	7,703	(109)	7,594	6,787
Interest	265	-	265	102
Meewasin Valley Authority levy	574	-	574	574
Bad debt expense	121	-	121	45
Internal cost recoveries	(54,382)	54,382	-	-
	$ 363,524	$ -	$ 363,524	$ 356,717

14. Interfund Transfers

During 1999/00, the University transferred the following to the Capital Fund to fund the acquisition of assets: $11,464 from Operating, $1,820 from Ancillary, $7,924 from Specific Purpose, $5,533 from Trust, and $21,352 from Research.

In addition, the following transfers occurred between funds to properly reflect activity according to the various fund definitions: $331 was transferred from Operating to Ancillary, $5,490 was transferred from Operating to Specific Purpose, $577 was transferred from Operating to Research, $11 was transferred from Specific Purpose to Ancillary, $384 was transferred from Specific Purpose to Endowment, $111 was transferred from Specific Purpose to Research, $81 was transferred from Trust to Operating, $1,190 was transferred from Trust to Specific Purpose, $1,610 was transferred from Trust to Endowment, $1,204 was transferred from Trust to Research, and $33 was transferred from Endowment to Operating.

15. Related Party Transactions

The University receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its members to the Board of Governors appointed by the Government. To the extent that the Provincial Government exercises significant influence over the operations of the University, all Saskatchewan Crown agencies such as corporations, boards and commissions are considered related parties to the University.

Revenue amounts received from the Government of Saskatchewan are disclosed separately in the Statement of Operations.

Routine expenses with these related parties are recorded at the standard or agreed rates charged by these organizations.

Transactions and the amounts outstanding at year-end are as follows:

	2000	1999
Sales of services and products - physicians' billings	$ 16,913	$ 16,238
Expenses		
Utilities	10,452	9,727
Other	11,077	10,970
Accounts receivable	5,651	5,527
Long-term investments	1,252	3,667
Accounts payable and accrued liabilities	898	140
Deferred revenue	1,169	941

16. Uncertainty Due to the Year 2000

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

17. Subsequent Events

On June 29, 2000 proposals to reform the Academic Employees' Pension Plan were ratified by the Faculty Association and approved by the Board of Governors. On August 2, 2000, the Saskatchewan Superintendent of Pensions approved the reform proposals. The University is awaiting the Canada Customs and Revenue Agency approval. The financial effect of the reform for the University is not determinable.

18. Comparative Figures

Certain of the prior year comparative figures have been reclassified to conform to the current year's presentation.